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1992 NEW CAR LEMON INDEX

The Lemon Index is a measure of how well new car manufacturers responded to Massachusetts consumers who attempted to resolve problems with defective automobiles by invoking the state's successful Lemon Law. The Lemon Law, which was enacted in 1986, requires manufacturers to submit to arbitration when a consumer's new car experiences continuing, reoccurring or unrepairable serious defects which the manufacturer cannot fix in a reasonable amount of time. The statistics are derived from the outcome of arbitration cases which were acted on within calendar year 1991.

The rating is provided for those manufacturers with at least 300 registrations on Massachusetts vehicles weighing less than 10,000 pounds (excluding motorcycles) using the following formula:



$$\frac{\text{a manufacturer's percentage of the total of accepted arbitration cases} \\ \text{(not including cases which the manufacturer won)}}{\text{the manufacturer's percentage of the Massachusetts new car market}} - 1$$

A high (larger "+") Lemon Index rating indicates that a manufacturer is either producing more than its share of allegedly defective vehicles, or is not settling enough consumer complaints before consumers seek arbitration, or both. Simply put, if a manufacturer's share of Lemon Law cases is greater than it's share of the market, the manufacturer's Lemon Index rating will be a high one. The higher the positive number, the worse a manufacturer has been at resolving Lemon Law cases. Conversely, the lower the negative number, the better a manufacturer has been at satisfying consumers who bought a defective automobile.

The market share is based on Massachusetts registrations of new cars and trucks from 1-1-91 to 12-31-91, according to R.L. Polk & Company statistics. The percentage of market share is based on 251,983 total Massachusetts registrations of qualified vehicles during 1991. Arbitration case statistics are courtesy of the American Arbitration Association which administers the arbitration program under contract from the state. Cases accepted may include some which were actually received in 1990 and may include some cars purchased prior to 1991 which were brought to arbitration in 1991.

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1992 NEW CAR LEMON INDEX

<u>Manufacturer</u>	<u>% share of accepted Lemon Law cases*</u>	<u>% share of MA new car market*</u>	<u>Lemon Index (%)</u>	
Volkswagen	12.1%	2.1%	+ 466%	 HIGHER COMPLAINT RATE
Hyundai	3.4%	0.8%	+ 338%	
BMW	1.7%	0.5%	+ 262%	
Saab	1.7%	0.7%	+ 143%	
Chrysler (inc. Dodge, Plymouth Jeep, Eagle)	27.6%	13.0%	+ 112%	
Mazda	5.2%	2.9%	+ 81%	
Mitsubishi	1.7%	1.1%	+ 52%	
Ford (inc. Lincoln, Mercury)	22.4%	21.3%	+ 5%	
AVERAGE	----	----	0%	
General Motors (inc. Buick, Cadillac, Chevrolet, GMC Truck, Oldsmobile, Pontiac)	20.7%	27.7%	- 25%	 LOWER COMPLAINT RATE
Nissan	1.7%	3.9%	- 57%	
Honda	1.7%	7.7%	- 78%	
Infiniti	0.0%	0.2%	- 100%	
Audi	0.0%	0.3%	- 100%	
Saturn	0.0%	0.4%	- 100%	
Lexus	0.0%	0.6%	- 100%	
Mercedez Benz	0.0%	0.6%	- 100%	
Volvo	0.0%	0.8%	- 100%	
Isuzu	0.0%	1.1%	- 100%	
Subaru	0.0%	1.3%	- 100%	
Acura	0.0%	2.2%	- 100%	
Toyota	0.0%	10.4%	- 100%	

* - figures shown were rounded after calculation

Other manufacturers with less than 300 registrations (# of registrations/accepted cases):
 Alfa Romeo (64/0), Bentley (1/0), Daihatsu (1/0), Ferrari (6/0), Jaguar (212/0), Lotus
 (3/0), Maserati (11/0), Peugeot (213/0), Porche (116/0), Range Rover (95/0), Rolls Royce
 (2/0), Sterling (52/1), Suzuki (208/0), Winnebago (4/0), Yugo (7/0), all others (34/0).

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